



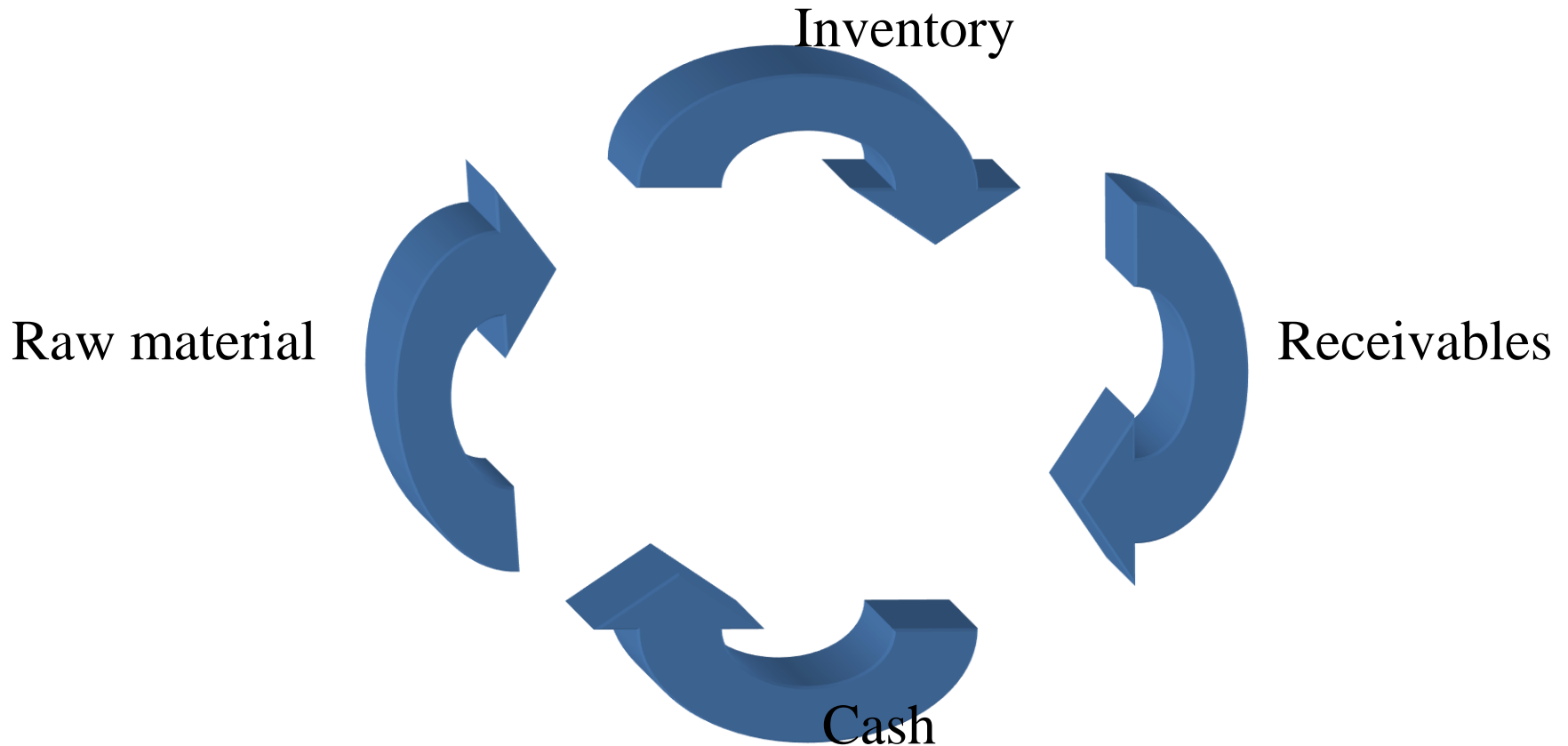
Daniel W. Holt

Small Business Administration

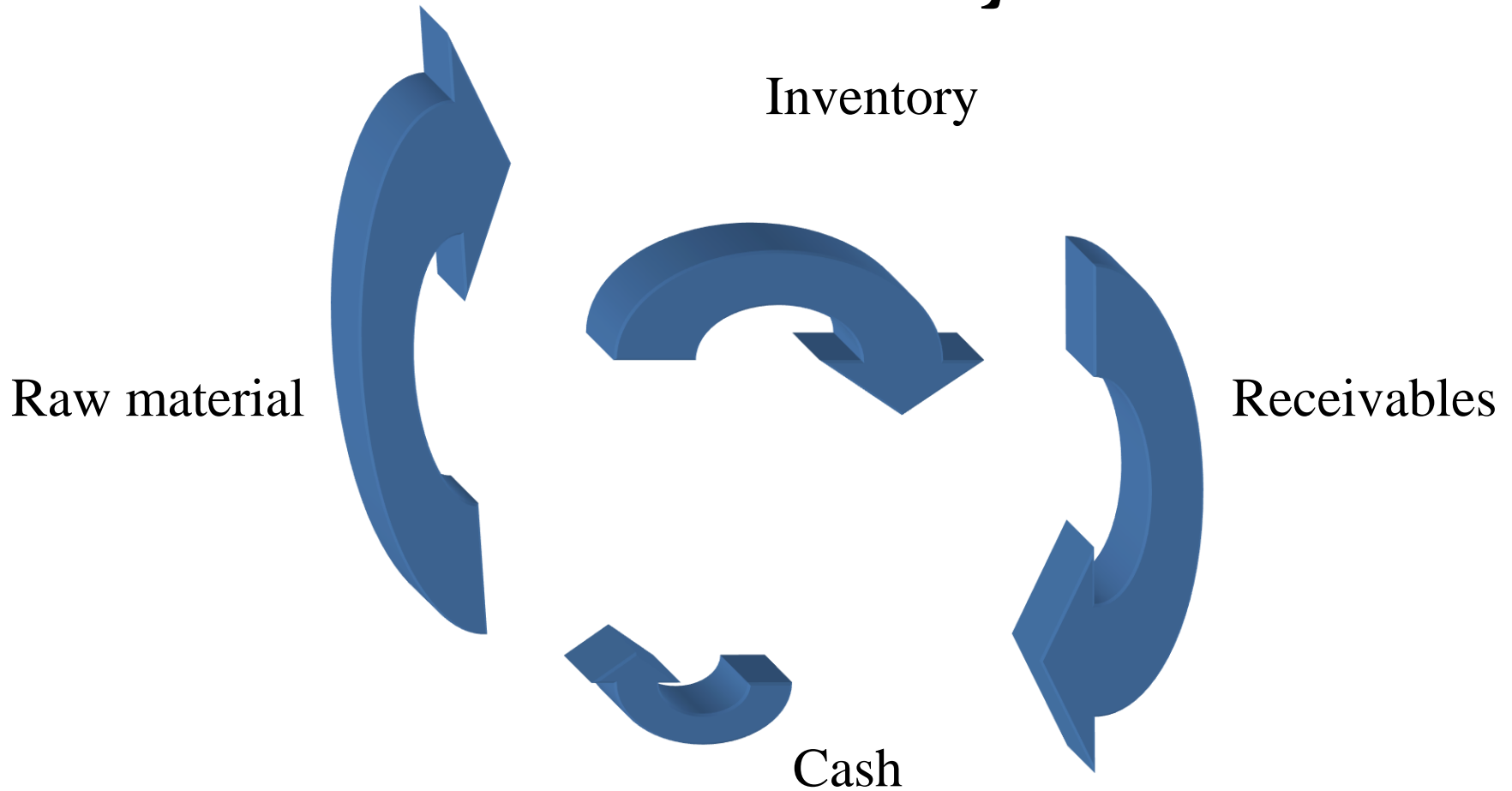
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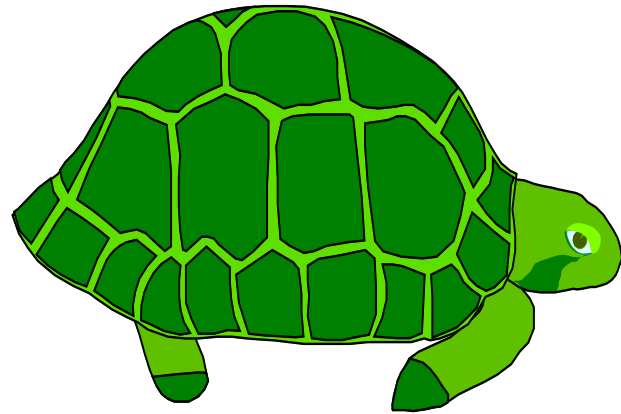
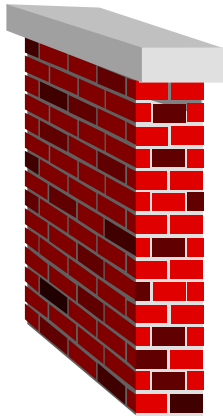
Perfect Cash Cycle



Real Cash Cycle



Export Finance



- A major barrier to export by small business is the lack of timely financing

SBA Loan Programs for Exporters

1. SBA International Trade Loan—to \$5 million
2. SBA's Export Express—to \$500,000
3. Export Working Capital- to \$5million

International Trade Loan (ITL) SBA Loan Programs for Exporters

Term loan up to \$5,000,000

- maximum guaranty: 90%
- a combination of fixed assets or term loan with W/C
- refinancing is allowed
- can not be used to purchase an existing business**

SBA Loan Programs for Exporters

SBA's Export Express

to \$350,000 with 90% guaranty

- \$500,000 with 75% guaranty
- Processed by SBA-approved *Export Express* lenders
- Working capital: 7 years; Fix assets: up to 25 years

Required:

- In business for at least 12 months Entering or expanding in foreign market

Use of Proceeds Export Express

- Translation of product literature or website
- Participation in a trade show or on a trade mission
- **transaction-specific financing** of export deals, including standby letters of credit
- general **lines of credit** for export purposes
- **term loans** for permanent working capital, machinery, equipment, or real estate used in the production of goods or services for export

Export Working Capital Loan—90% guaranty

Two Flavors

Transaction-Based Financing (Purchase order financing)

- Single Order or Revolving Line
- Most supplier and production costs

Asset-Based Line-of-Credit

- Working Capital for pre-shipment, post-shipment or both requirements
- Borrowing Base: inventory, WIP, (insured) A/R

Questions you may be asked

- Who is your Banker?
- What is the product?
- What country are you shipping to?
- What are your selling terms?
- How are you getting paid?
- What INCOTERM are you quoting under?



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